

Capital Planning Committee Meeting Minutes October 23, 2014

In attendance were:

Steve Andrew*
Andrew Flanagan
Charles Foskett
Mike Morse
Brian Rehrig
Diane Johnson
Ruth Lewis
Anthony Lionetta
Barbara Thornton *

Also in attendance: Eve Margolis, Joe Connelly and Doug Heim

* Denotes those not in attendance

- **Meeting Opened:** Updated printed materials were distributed to the CPC, including Meeting Memo's, Subcommittee Reports, Long Range Plan information and Capital Item Balances. The memorandum of the October 9 meeting was reviewed and approved.
- **Rink and DCR:** Joe Connelly joined the meeting to update the CPC on DCR related issues and oversight of the rink. DCR has acted on a provision of the lease that the Town signed with the State for the rink that allows the DCR to receive a percentage of the rink's annual gross revenue after five years. The percentage incrementally increases from 1% to 3%. The DCR did enforce this until last year with Arlington then having to pay up 3 years of past collection dollars. One percent point equates to \$6,500 per year. The DCR also will now be conducting more oversight of rink operations. It is noted that these actions are not specific to Arlington but pertain to all leased rinks.

Some other background information is that the State owns the land the rink is on. The Town sold them the land for a \$1 in 1968. If the rink ever ends being a rink, the land reverts back to the Town. Joe feels that the rates charged for the use of the rink are what the market will support. The rink basically has three main users: Arlington Youth Hockey, AHS and AC.

The Town has already invested \$1.6 million in updating the rink, as required by the lease. This year's Capital Budget has a request for an additional \$1.1 million for improvements to the rink infrastructure. These include electrical upgrade for \$110k, \$165k for ADA compliance and the balance being for upgraded locker rooms and lobby area. Joe is questioning if the Town wants to make these improvements given that it does not own the rink and his opinion, from recent meetings, is that it never will.

There was discussion about going ahead with the Electrical and ADA and possibly holding off on the Locker Room. Also noted is that the Town may want to direct the ADA upgrade

cost to DCR in that they own the facility. If they were to pay for this work, it would be balance off on the revenue sharing that the Town would pay to DCR over the life of the lease.

- **Capital Item Budget Reallocation:** Doug Heim joined the meeting to report back on his conversations with Department of Revenue on the process of reallocating surplus balances of capital items. On the issue of modifying the Town Meeting vote to strengthen the Town's authority to reassign balances, Doug noted that the State Law trumps any provision in this regard. DOR position is that the Town cannot reallocate anticipated balances from **ongoing** capital projects. On the issue of reallocating actual balances on completed projects, the position is not as clear.

This issue needs to be further evaluated and weighted. This issue is, most of the time, related to reallocation mid-term in the Town Meeting cycle. A thought was make reallocations and then to have an accounting of these transfers in the next Town Meeting Capital Budget vote.

- **Long Range Plan:** Andrew Flanagan presented an update of the Long Range Plan model. He noted that the projection of students as a major change. Previous assumptions were for 800 additional students. The current projection is for 1200. The new plan shows a deficit of about \$14 million in 2020. Andrew ran several scenarios applying various values for key parameters. Basically, these show a range of deficit from \$3 million to \$14 million in 2020.
- **Review of Capital Balances:** Ruth Lewis provided a report on current balances of prior year capital balances. A couple of balances were discussed, including several for the completed Thompson School Project. Ruth Lewis and Mike Morse are going to check into whether these balances have actually been borrowed. If so, they could be reassigned to the Stratton School Project.(these total about \$1 million)
- **Park Requests:** Mike Morse reported on the Subcommittee's meeting with Joe Connelly (separate memorandum provided). The report included photo's taken by Mike of the Magnolia Playground. The CPC voted to support the Safety Fencing including the reallocation of surplus from the completed Wellington Tennis Court Project, the Gibbs Gym Dividing Wall, the Feasibility Study and the Passenger Van. CPC will await Joe's list of expected ADA improvements for the \$50k requested.

On future projects, Charlie Foskett asked about the disposition of the abandon tennis court area at Robbins and if this area is going to be reused and if the settling problem has been addressed. Tony Lionetta will check with Joe Connelly on this.

There was also discussion about Joe's proposal for the Rec to purchase the Gibbs, so it could expand its use and the Rec's revenue. Joe feels that the revenue generated could support the debt of purchase, as well as provide for maintenance of the building. This idea needs to be further vetted as options for funding the improvements to the Stratton School are evaluated.

- **Maintenance Planning Committee:** Andrew Flanagan gave an update on the MPC. At this point, the Committee is populated and is discussing organizational issues, procedures for identifying current maintenance costs, as well as a centralized department with

responsibility for maintenance. It is anticipated that steps towards establishing a consolidated Facilities Department will be funded in the FY 2016 budget.

- **Next meeting:** November 6, 2014.

Adjournment